

Mr. Forman  
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**GAO**

United States General Accounting Office  
Washington, DC 20548

Office of  
General Counsel

In Reply  
Refer to: B-196258

October 8, 1980

Mr. John J. McMahon, Jr.  
1812 Westmoreland Street  
McLean, Virginia 22101

Dear Mr. McMahon:

As you requested in our meeting of June 18, 1980, we have reviewed your total Government remuneration for 1975 to ascertain whether the amounts reported on your three W-2s is consistent with the amounts you were entitled to receive based on your status. As will be illustrated below, it would appear that you received all amounts due to you.

Based on the record in your case, we have discerned that during the 1975 biweekly pay periods, you were in the following status:

1. Department of the Navy Employee  
Grade 13, step 6  
Pay periods 1 and half of pay period 2 (1 week),  
or 3 weeks;
2. Department of the Army Employee  
Grade 13, step 6  
Pay periods 2 (1 week) through 4,  
or 5 weeks;
3. Department of the Army Employee  
Grade 13, step 7  
Pay periods 5 through 23, or 38 weeks; and
4. Department of the Navy Employee  
Grade 13, step 7  
Pay periods 24 through 26, or 6 weeks.

For pay periods 1 through 20 Executive Order No. 11811 was in effect and provided for an annual salary of \$25,451 for a grade 13, step 6 employee, and \$26,178 for a grade 13, step 7 employee. Thus, for pay periods 1-4, while you



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[Pay ENTITLEMENT Summary]

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were a GS-13/6, you were entitled to base pay of \$979.20 per biweekly pay period 1/ and for pay periods 5 through 21, while you were as GS-13/7, you were entitled to \$1,007.20 per biweekly pay period.

For pay periods 22 through 26, Executive Order No. 11883 was in effect and provided for an annual salary of \$27,490 for a grade 13, step 7 employee. Thus, for these pay periods you were entitled to base pay of \$1,057.60 per biweekly pay period.

Based on the above, you should have received base pay in 1975 of \$26,327.20 derived from:

- A. 4 X \$979.20 (GS-13/6 under Executive Order 11811) which equals \$3,916.80;
- B. 17 X \$1,007.20 (GS-13/7 under Executive Order 11811) which equals \$17,122.40; and
- C. 5 X \$1,057.60 (GS-13/7 under Executive Order 11883) which equals \$5,288.

In addition to this base salary of \$26,372.20 you received certain other taxable income while working for the Army. According to the leave and earnings statements you provided us 2/ these amount to \$1,631.57, consisting of:

- A. Sunday premium pay of \$956.56;

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1/Under 5 U.S.C. § 5504(b)(3), a biweekly pay rate is calculated by multiplying the hourly rate of pay by 80. Section 5504(b)(1) specifies the hourly rate is found by dividing the annual rate by 2,080. Thus, the hourly rate is \$25,451 ÷ by 2,080 which equals \$12.24 and the biweekly rate is \$12.24 X 80 which equals \$979.20.

2/We were not provided with leave and earnings statements for the pay periods ending on January 17, 1975, and June 21, 1975. We assumed you received your normal Sunday premium pay for these periods.

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- B. Post differential of \$511.97; and
- C. A miscellaneous payment of \$163.04. 3/

Accordingly, you should have received the following taxable amounts in 1975:

A. Base salary	\$26,327.20
B. Additional pay	<u>1,631.57</u>
Total	\$27,958.77

According to the W-2s provided, your total taxable income was \$27,958.78. The one cent discrepancy is due to your leave and earnings statement for the pay period ending on November 8, 1975, having a net pay amount which is one cent greater than the total base pay and allowances which you had earned. This is of no consequence as you did receive this additional one cent.

We note that your W-2s which total \$27,958.78 do not include the \$999.99 living quarters allowance you received for the pay period ending November 8, 1975, nor the additional \$329.01 amount you received on December 20, 1975. The living quarters allowance is not taxable and would not appear on your W-2.

Finally, as regards this issue, we realize that the various pay rates and other relevant factors can be confusing, and we have, therefore, enclosed a summary for you.

Concerning your question as to why you did not receive a supplementary post allowance under sections 230-237 of the Department of State Standardized Regulations, we have examined the regulations and find that this allowance may be granted for up to 3 months after an employee's

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3/According to the leave and earnings statements of May 10, 1975, which you provided, you received \$163.04 in addition to your base pay and Sunday premium pay. The heading for this payment is illegible on the copy.

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arrival at post based upon an individual determination that the allowance is necessary to defray extraordinary subsistence costs. Indeed, to receive this allowance, an employee would have to apply and verify his meal costs as the allowance can differ for individuals although it cannot exceed the maximum amount set forth in section 941.6 of the Standardized Regulations. See Standardized Regulations, sections 232 and 235. We find nothing to indicate that you ever applied for such an allowance.

We trust this response will answer the questions you raised.

Sincerely yours,

A handwritten signature in cursive script that reads "Milton J. Socolar".

Milton J. Socolar  
General Counsel

Enclosure

John J. McMahon, Jr.

Pay Summary

<u>1975</u> <u>No.</u>	<u>Pay Periods</u> <u>Ending Date</u>	<u>Agency</u>	<u>Grade</u>	<u>Base Pay</u>	<u>Allowances</u>	<u>Gross</u>
1	1/4	Navy	13/6	\$ 979.20	\$ 0.00	\$ 979.20
2	1/18	" (1 week)	"	"	0.00	489.60
PAY PERIODS 1 and 2 (1 week) - NAVY - SUBTOTAL					0.00	1,468.80
2	1/18	Army (1 week)	13/6	979.20	24.48	514.08
3	2/1	"	"	"	48.96	1,028.16
4	2/15	"	"	"	48.96	1,028.16
5	3/1	"	13/7	1,007.20	50.40	1,057.60
6	3/15	"	"	"	50.40	1,057.60
7	3/29	"	"	"	50.40	1,057.60
8	4/12	"	"	"	25.20	1,057.60
9	4/26	"	"	"	50.40	1,032.40
10	5/10	"	"	"	213.44	1,220.64
11	5/24	"	"	"	50.40	1,057.60
12	6/7	"	"	"	25.20	1,032.40
13	6/21	"	"	"	50.40	1,057.60
14	7/5	"	"	"	50.40	1,057.60
15	7/19	"	"	"	50.40	1,057.60
16	8/2	"	"	"	50.40	1,057.60
17	8/16	"	"	"	50.40	1,057.60
18	8/30	"	"	"	50.40	1,057.60
19	9/13	"	"	"	50.40	1,057.60
20	9/27	"	"	"	50.40	1,057.60
21	10/11	"	"	"	25.20	1,032.40
22	10/25	"	"	1,057.60	52.96	1,110.56
23	11/8	"	"	"	1,511.96	2,569.57
PAY PERIODS 2 (1 week) - 23 - ARMY - SUBTOTAL					\$2,631.56	\$24,317.17
24	11/22	Navy	13/7	1,057.60	0.00	1,057.60
25	12/6	"	"	"	0.00	1,057.60
26	12/18	"	"	"	0.00	1,057.60
PAY PERIODS 24-26 - NAVY - SUBTOTAL					\$ 0.00	\$ 3,172.80
PAY PERIODS 1-26 - GRAND TOTAL					\$2,631.56	\$28,958.77

COMMENTS:

1. For pay periods 1 and 2 (1 week) you earned \$1,468.80 from the Navy, and you submitted a W-2 from the Navy which agrees with this.
2. For pay periods 2 (1 week) - 23 you earned \$24,317.17 from the Army. Of this amount \$999.99 was for temporary quarters allowance which is not taxable. Therefore, you have \$23,317.18 in taxable income from the Army, and you submitted a W-2 from the Army which agrees with this.
3. For pay periods 24-26 you earned \$3,172.80 from the Navy, and you submitted a W-2 from the Navy which agrees with this.
4. The gross pay grand total of \$28,958.77 includes the non-taxable living quarters allowance of \$999.99 resulting in a grand total for taxable income of \$27,958.78 which is the sum of the three W-2s you submitted.
5. The pay summary does not reflect the additional temporary quarters allowance of \$329.01 you received from the Army on December 20, 1975. This is non-taxable income.